

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01

INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 SIL-01 OMB-01 SS-15 PA-02 DRC-01

/091 W

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R 191534Z APR 78

FM AMEMBASSY TUNIS

TO SECSTATE WASHDC 788

INFO AMEMBASSY ALGIERS

AMEMBASSY RABAT

AMEMBASSY TRIPOLI

UNCLAS TUNIS 2847

C O R R E C T E D COPY (CORRECT MRN 2847 VICE 3847)

E.O.11652: NA

TAGS: ELAB PGOV EGEN TS

SUBJ: COMPLETION OF APRIL WAGE INCREASE NEGOTIATIONS

1. ANNUAL APRIL NEGOTIATIONS BETWEEN GOT, EMPLOYERS' REPRESENTATIVES, LEADERSHIP OF UGTT, AND DESTOURIAN SOCIALIST PARTY WERE COMPLETED SATURDAY, APRIL 15, 1978. MAJOR RESULTS OF BARGAINING WHICH HAD BEGUN APRIL 1 WERE 11 PERCENT INCREASES OF MINIMUM INDUSTRIAL WAGE (SMIG) AND IN MINIMUM AGRICULTURAL WAGE (SMAG), OVER LEVELS SET IN FRAMWORK OF SOCIAL PACT SIGNED JANUARY 1977. NEW MINIMUM WAGE RATES WILL GO INTO EFFECT MAY 1, 1978.

2. ELEVEN PERCENT MINIOUM WAGE INCREASE WAS CALCUATED ON BASIS OF 10.5 PERCENT RISE IN GENERAL PRICE INDEX FROM JANUARY 77 TO MARCH 78, AND A ONE-HALF PERCENT INCREASE TO COMPENSATE FOR HIGHER PUBLIC TRANSPORTATION COSTS. CONSEQUENTLY, IT DOES NOT REFLECT ANY INCREASE IN WORKER PRODUCTIVITY, NOR DOES IT REPRESENT ANY IMPROVEMENT IN

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PURCHACING POWER OVER JANUARY 1977 BASIS.

3. SMIG WAS RAISED 21.25 MILLIMES, FROM 193 MILLIMES (\$48) TO 214.25 MILLIMES "52) PER HOUR. THIS REPRESENTS MONTHLY INCREASE OF 3.684 DINARS (\$8.88) FOR THOSE WORKING 40-HOUR WEEK OR 4.420 (\$1065) FOR THOSE WORKING 48-HOUR WEEK. ALL EMPLOYEES IN PUBLIC AND PRIVATE SECTOR

WILL RECEIVE SAME MONETARY INCREASE OF 21.25 MILLIMES PER HOUR, EVEN THOUGH THEY MAY BE EARNING ABOVE MINIMUM WAGE.

4. SMAG WAS ALSO RAISED BY SAME PERCENTAGE, INCREASING DAILY MINIMUM WAGE FOR AGRICULTURAL WORKERS FROM 1.200 DINARS (\$2.89) TO 1.332 DINARS (\$3.21). PRESUMABLY THOSE AGRICULTURAL WORKERS EARNING ABOVE MINIMUM WAGE WILL ALSO HAVE INCREASES LIMITED TO 132 MILLIMES (\$.32) PER DAY.

5. ALL PARTICIPANTS IN NEGOTIATIONS PRAISED REASONABLENESS AND CORRECTNESS OF AGREEMENT. IN HIS CLOSING STATEMENT, MINISTER OF SOCIAL AFFAIRS MOHAMED JOMAA EMPHAIZED THAT INCREASES IN PRODUCTION AND IMPROVEMENT IN PRODUCTIVITY WOULD BE THE KEY FACTORS TO ARREST THE PRICE-WAGE SPIRAL AND TO ACCOMPLISH THE GOALS OF THE FIVE-YEAR PLAN.

6. TIJANI ABIB, SECRETARY GENERAL OF THE UGTT, REMARKED THAT DESPITE CERTAIN TENSE MOMENTS, NEGOTIATIONS WERE CONDUCTED IN CONSONANCE WITH TUNISIA'S ECONOMIC REALITY AND THAT THEY REFLECTED EVERYONE'S ASPIRATIONS FOR SOCIAL JUSTICE. HE ASKED GOT TO ASSERT MAXIMUM EFFORT TO CONTROL PRICES AND TO INSURE GOOD MANAGEMENT PRACTICES IN STATE-OWNED ENTERPRISES. ABID ADVISED THE WORKER TO INCREASE BOTH PRODUCTION AND EFFICIENCY IN ORDER TO PROTECT THEIR OWN PURSHASING POWER.

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7. FERJANI BELHAJ AMMAR, PRESIDENT OF UTICA, THE INDUSTRY, COMMERCE, AND HANDICRAFT ASSOCIATION, HOPED THAT THE WAGE INCREASES WOULD HAVE FAVORABLE REPERCUSSIONS ON THE LEVEL OF WORK PERFORMACE; OTHERWISE, WAGE INCREASES WOULD ONLY CONTRIBUTE TO FURTHER PRICE RISES AND WOULD ADD TO INFLATION.

8. MOHAMED GHEDIRA, PRESIDENT OF UNA, THE NATIONAL FARMERS ASSOCIATION (FARM EMPLOYERS), POINTED OUT THAT THE 11 PERCENT INCREAE IN THE FARM WORKERS DAILY WAGE WAS CALCUALTED IN PART TO ENCOURAGE THE AGRICULTURAL WORKER TO REMAIN ON THE LAND AND YOUTH TO ADOPT RURAL CAREERS. MULCAHY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WAGE RATES, NEGOTIATIONS, MEETING PROCEEDINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TUNIS02847
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780172-0463
Format: TEL
From: TUNIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780438/aaaabfsq.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0b3d01ab-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2910214
Secure: OPEN
Status: NATIVE
Subject: COMPLETION OF APRIL WAGE INCREASE NEGOTIATIONS
TAGS: ELAB, PGOV, EGEN, TS
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/0b3d01ab-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014